

## **HOMEBUYER ASSISTANCE PROGRAM GOALS**

- Encourage homeownership throughout the Louisville Metro area which is economical to low-moderate income consumers in order to assist in preventing future foreclosures;
- Encourage mixed-income neighborhoods and the de-concentration of poverty;
- Encourage homeownership in Metro's Neighborhood Revitalization Strategy Areas;
- Assist homebuyers in becoming informed consumers in order to successfully navigate real estate transactions and to understand the responsibility of homeownership;
- Encourage reinvestment in Louisville Metro's vacant and abandoned properties (VAP).

## **FREQUENTLY ASKED QUESTIONS**

### **1. How much assistance will I receive?**

Assistance is based upon the need of each individual homebuyer and the purchase price of the home.

### **2. Can I purchase a vacant, abandoned property (VAP) to rehab?**

YES, we encourage homebuyers to invest in VAP's if they utilize a FHA 203(k) loan.

### **3. Do I have to be a first time homebuyer?**

NO, homebuyers just have to be income and credit qualified to participate.

### **4. Where do I start?**

You must complete homeownership counseling and receive a pre-approval from a lending institution BEFORE you apply.

### **5. Where can I get more information?**

Visit our website at

<http://www.louisvilleky.gov/CSR/DPA>

or call 502-574-1974

## **HOMEBUYER ASSISTANCE PROGRAM**



## **DEVELOP LOUISVILLE**

Louisville-Jefferson County Metro Government, Develop Louisville does not discriminate in employment or in the provision of services on the basis of disability, sex, race, color, religion, age, national origin, familial status, sexual orientation or gender identity.

**Office Hours**  
**Monday-Friday**  
**8:00 a.m.-5:00 p.m.**

**(502) 574-1974**  
**FAX (502) 574-6554**  
[www.louisvilleky.gov](http://www.louisvilleky.gov)

*Revised July 2, 2014*

## **HOMEBUYER ASSISTANCE PROGRAM**



## **DEVELOP LOUISVILLE**

**810 Barret Avenue**  
**Louisville, Kentucky 40204**  
**(502) 574-1974**  
**(502) 574-3749 TDD**  
[www.louisvilleky.gov](http://www.louisvilleky.gov)



## ELIGIBLE HOMEBUYERS

The Homebuyer Assistance Program is available to any homebuyer that is looking to purchase an existing or newly constructed home in the Louisville Metro area. You **do not** have to be a first time buyer to qualify. However, all homebuyers must be credit and income qualified.

**Homebuyer(s)' gross income must be 80% or below of the area median income adjusted for family size, as determined by HUD.**

1 person	2 persons	3 persons	4 persons	5 persons
\$35,700	\$40,800	\$45,900	\$50,950	\$55,050

*\*As of May 1, 2014*

All applicant(s) must attend homeownership counseling classes from a HUD certified counseling agency in order to obtain the required certificate and to apply for the Homebuyer Assistance Program.



### Homeownership Counseling Agencies

Apprisen – (502) 458 – 8840

Louisville Urban League- (502) 566 – 3362

Or any other HUD Certified counseling agencies

**Applicant(s) must obtain first mortgage financing through a local lender.**

## APPLICATION PROCESS

1. Homebuyer(s) complete homeownership counseling from HUD Certified Counseling Agency
2. Homebuyer(s) obtain first mortgage pre-approval from financial institution
3. Homebuyer(s) applies to the Homebuyer Assistance Program
4. Homebuyer(s) receive entrance or denial into the Homebuyer Assistance Program based upon income
5. Upon approval, homebuyer(s) engages Realtor (if not already done so) to assist in home search
6. Homebuyer(s) locates home and obtains accepted sales contract (Home Purchase Packet information to be completed by homebuyer(s))
7. Homebuyer(s) submits Home Purchase Packet to Metro
8. Case review board reviews and approves the amount of assistance available to the homebuyer(s)
9. Homebuyer(s) closes on home
10. VAP Only – rehabilitation of home occurs and property passes Metro inspection before occupancy



## ELIGIBLE PROPERTIES & OWNERSHIP

Homebuyers can purchase a single-family unit, single-family unit in a multifamily row house, or a condominium. Ownership must be in fee simple title or an ownership or membership in a condominium or cooperative unit.

Homebuyers are encouraged to purchase and rehabilitate vacant and abandoned properties (VAP). Funding can be utilized toward the rehabilitation of a vacant and abandoned property if a potential homebuyer utilizes a FHA 203(k) mortgage.

Assistance may be provided in the form of a forgivable second mortgage for down payment assistance for the purchase of a home in the Louisville Metro area.

The property purchased by the homebuyer must be occupied as their principal residence for the term of the mortgage. Mortgage terms range from 5 – 15 years depending upon the amount of assistance provided.

Prior to approval of the second mortgage, the property to be purchased will be inspected for code violations and a lead safe living environment. Louisville Metro Government – Develop Louisville shall be listed as the second loss payee on homeowners insurance. Taxes and insurance must be escrowed.

Under no circumstances will funds from the mortgage result in cash back to the borrower(s), nor will the sum of all financing exceed 100% of the property cost plus any normal prepaid loan expenses.

**To get started please visit our website at <http://www.louisvilleky.gov/CSR/DPA> or call 502-574-1974**